

REMARKS/ARGUMENTS

Claims 1-6 and 8-19 are pending in the present application. Claims 7 and 20 are canceled. Claims 1-3, 8-10, and 14 -16 are amended. Support for the Specification may be found in the claims themselves and in the Applicant's Specification on page 12, lines 19-25, page 13, lines 1-4, and page 17, lines 15-21. Reconsideration of the claims is respectfully requested.

Applicant does not concede that the originally filed claims are not patentable over the art cited by the Examiner, as the present claim amendments and cancellations are included only to facilitate expeditious prosecution. Applicant respectfully reserves the right to pursue these and other claims in one or more continuations and/or divisional patent applications.

I. 35 U.S.C. § 112, First Paragraph, Claims 1-20

The Examiner has objected to the specification under 35 U.S.C. § 112, first paragraph, as failing to adequately teach how to make and/or use the invention in claims 1-20. Additionally, the Examiner rejected the claims under the same reasons. This rejection is respectfully traversed.

The Examiner states:

6. Independent claims 1, 8, and 14 have been amended to include (claim 1 for example):
"... responsive to receiving an instruction from a user associated with the account, authorizing the request when the second location and the first location are different."

The Applicant cites the following in the specification for support:

Page 7, lines 1-19;

One aspect of the present invention relates to a method for authorizing transactions against an account. The account may be a credit, debit or other transaction account. A transaction is received that includes a request for authorization to charge an amount against the account. An ID for a communication device associated with the account is retrieved and the location of the communication device is determined. The location of the transaction is determined and compared with the location of the device.

The request is then processed based on the location information received. The request is preferably denied when the location of the transaction is different from the location of the device. Alternatively, the request preferably is authorized when the location of the transaction is the same as the location of the device.

A system for authorizing transactions against an account is also provided. The system includes an input device adapted to receive a transaction that includes a request for authorization to charge an amount against the account. A means for retrieving an ID for a communication device associated with the account is provided. The input device is coupled for data communications with the retrieving means. A means for determining the location of the communication device, a means for determining the location of the transaction, a means for comparing the location of the transaction with the location of the device, and a means for processing the request are also provided.

Page 17, lines 19-21

If account holders gives their transaction card to their child, for example, they may change the device ID to their child's mobile phone number. In addition, the account holder has the option of turning the device ID feature off such that the device.

Page 12, line 19 - page 13, line 2

In the case where the account holder is purchasing goods or services with a vendor over the phone or via the Internet, the merchant location information can be changed to the location of the account holder, such that the two locations will match. To effect the change in merchant location, the account holder may enter a unique character string or code to notify the central computer 104, that the merchant location should be changed. The merchant location may be changed to the account holder's current location as verified by their communication device 112, or a default "home" setting may be used.

The Examiner does not find support for the amendment to the claim. Indeed, the specification teaches the merchant location is changed to that of the account holder so the locations match.

Claims 2-7, 9-13, and 15-20 are rejected because they depend from their respective independent claims.

Final Office Action dated December 7, 2007, pages 10-11.

Applicant has amended claims 1, 8 and 14, and demonstrated in this document support for the amendments. Therefore, the objection of the specification under 35 U.S.C. § 112, first paragraph has been overcome.

II. 35 U.S.C. § 103, Obviousness, Claims 1-20

The Examiner has rejected claims 1-20 under 35 U.S.C. § 103 as being unpatentable over *Suzuki* (U.S. Patent Number 6,612,488) (hereinafter "*Suzuki*") in view of *Joao et al.* (U.S. Publication Number 2001/0051920) (hereinafter "*Joao*"). This rejection is respectfully traversed.

Applicants first address the rejection with respect to amended claim 1. Regarding claim 1, the Examiner states:

Note that the analysis for the method claims (1-7) also applies to the respective system claims (8-13) and product claims (14-19).

Regarding claims 1, 8 and 14:

A computer implemented method for authorizing transactions against an account comprising:

Suzuki discloses:

Fig. 4, ref. 400 provides a "Transaction Authorization Computer" which has access to card information, ref. 432, which includes a card number. The card number would identify an individual account, as shown in Fig. 5.

receiving a transaction comprising a request for authorization to charge an amount against the account;

"Upon receiving a request for credit administration from the member store transaction terminal 300, the transaction processor 420 of the transaction authorization computer searches the database with the card number, checks for a "report of loss or theft", and compares the transaction amount with the amount available for purchases. . ." (col. 11, lines 58-65).

retrieving a communication device identification for a communication device associated with the account;

a "... cellular phone 100 registered in the card transaction system has a location information detection function." (col. 11, lines 32-35). The registered cellular phone is therefore a communication device with an ID.

determining a first location of the communication device using the communication device identification;

"In the present embodiment, the cellular phone system, including wireless network 600, provides a location information detection service. Wireless network 600 comprises a location information host computer for detecting the location of cellular phone 100. Location detection uses, for example, a method of finding the current location from the relative positions of cellular phone 100 and three base stations, such as are used in PHs (Personal Handyphone System), or a method of finding the current location with a GPS (Global Positioning Satellite) system using artificial satellites." (col. 11, lines 39-49).

"The location information host computer detects the current location information for the cellular phone in response to the detection request from transaction authorization computer 400." (col. 12, lines 14-17);

determining a second location of the transaction;

"Transaction authorization computer 400 receives the results of the cellular phone location information detection, and, when the location information could be successfully acquired, the computer searches the member store information, stored in the database based on the member store number, for the location information in latitude and longitude format for the member store." (col. 12, lines 22-29)

comparing the second location of the transaction with the first location of the communication device; and

"Transaction authorization computer 400 then compares this information with the current location information for the cellular phone and calculates the distance." (col. 12, lines 29-31).

responsive to not receiving the instruction from the user associated with the account, authorizing the request when the second location and the first location are different.

"When the results of the credit administration request are that "card use is allowed", transaction terminal 300 continues with the transaction processes, such as the issuing of the bill, using the received transaction authorization number and the user validation process." (col. 12, lines 43-48).

While *Suzuki*, in the business of credit authorization, provides for using wireless means to detect fraud, and provides detail information for various system and product components, he does not provide details, for example, of a generic point-of-sale device, central processing computer, or a communication device. *Joao* et al., in the same field of endeavor of providing credit authorization using wireless means, provides such detail as a generic point-of-sale device, central computer, and a communication device (Fig. 2). Therefore, it would have been obvious to

one of ordinary skill in the art at the time of invention to provide such a system and product components, motivated by *Jooao* et al., and that such a system could be used to provide, for example, location information to generic communication devices and would therefore expand the capabilities of the system and components.

Also, while *Suzuki*, in the business of credit authorization provides for authorization transactions where a communication device is co-located with a transaction, he does not provide for allowing when the devices are not co-located with the transaction. *Jooao* et al., in the same field of endeavor of credit authorization provides:

[0041] In cases when the cardholder is the party to the transaction, he or she, having the communication device with, or on, his or her person, may authorize the transaction at the point-of-sale location or from his or her remote location. The cardholder may also program and/or set the communication device to automatically authorize or disapprove or disallow transactions.

Therefore, it would have been obvious to one skilled in the art at the time of invention to allow transactions when a communication device and a transaction are not co-located, motivated by *Jooao* et al., and that such capability would permit authorized transactions in all situations, enhancing the usefulness of the device.

Final Office Action, dated December 7, 2007, pages 12-14.

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The prior art reference (or references when combined) must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). In determining obviousness, the scope and content of the prior art are... determined; differences between the prior art and the claims at issue are... ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR Int'l. Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007). “Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006)).”

Amended claim 1 is as follows:

1. (Currently Amended) A computer implemented method for authorizing transactions against an account comprising:

associating a first communication device identification with a first communication device, wherein the communication device identification is associated with a cardholder, and further wherein the cardholder is a first user;
associating a second communication device identification with a second communication device, wherein the second communication device is associated with a second user different from the cardholder;

receiving a transaction comprising a request for authorization to charge an amount against the account using a card associated with the cardholder;

receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device;

in response to the second user making a transaction with the card over the phone or on an internet website, transmitting a unique code entered by the cardholder to a central computer to authorize changing a second location to match the location of the second communication device, wherein the second location is a location of a vendor supplying goods or services over the phone or the internet website; and

authorizing the transaction when the unique code is received.

retrieving a communication device identification for a communication device associated with the account;

determining a first location of the communication device using the communication device identification;

determining a second location of the transaction;

comparing the second location of the transaction with the first location of the communication device; and

responsive to receiving an instruction from a user associated with the account, authorizing the request when the second location and the first location are different.

Applicants first respond to the rejection by showing that the proposed modification of the cited references does not teach or suggest all the features of amended claim 1. Applicants will then show that no proper reason exists to modify the reference to achieve the invention of amended claim 1 in light of the large differences that exist between *Suzuki* and *Jooao*.

II.1. *Suzuki* and *Jooao*, either alone or in combination, fail to teach or suggest each and every feature of amended claim 1.

The prior art reference (or references when combined) must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). The Examiner failed to state a *prima facie* obviousness rejection against claim 1, because *Suzuki* and *Jooao*, either alone or in combination, does not teach or suggest all of the features of amended claim 1. Specifically, the cited references fail to teach or suggest 1) receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device in combination with the feature that the second user is different from the cardholder and 2) in response to the second user making a transaction with the card over the phone or on

an internet website, transmitting a unique code entered by the cardholder to a central computer to authorize changing a second location to match the location of the second communication device, wherein the second location is a location of a vendor supplying goods or services over the phone or the internet website, as recited in amended claim 1.

The cited references fail to teach or suggest the feature “receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device in combination with the feature that the second user is different than cardholder.” In rejecting claim 1, the Examiner cites to the following:

The location information detects the current location information for the cellular phone in response to the detection request from transaction authorization computer **400**.

Transaction authorization computer **400** receives the results of the cellular phone location information detection, and, when the location information could be successfully acquired, the computer searches the member store information, stored in the database based on the member store number, for the location information in latitude and longitude format for the member store.

Transaction authorization computer **400** then compares this information with the current location information for the cellular phone and calculates the distance.

Suzuki, col. 12, lines 14-17, lines 22-29, and lines 29-31.

The above-cited section discloses detecting current location information for a cellular phone in response to a detection request and then searching for member store location information. However, neither the cited section nor other section in *Suzuki* teaches or suggests “receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device in combination with the feature that the second user is different than the cardholder.” On the other hand, amended claim 1 recites receiving a request to change a first communication device identification to a second communication device identification corresponding to a second communication device in combination with the feature that a second user is different than the cardholder. *Suzuki* entirely fails to teach or suggest this feature as recited in amended claim 1.

Joao fails to make up for the deficiencies of *Suzuki* with respect to this feature. *Joao* states:

In cases when the cardholder is the party to the transaction, he or she, having the communication device with, or on, his or her person, may authorize the transaction at the point-of-sale location or from his or her remote location. The cardholder may also program and/or set the communication device to automatically authorize or disapprove or disallow transactions.

Joao, paragraph 41, lines 50-56.

The above-cited section discloses a cardholder that can authorize transaction at the point-of-sale location or from his or her remote location. However, neither this section nor any other section of *Joao* teaches or suggests “receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device in combination with the feature that the second user is different than the cardholder.” *Joao* entirely fails to mention changing the first communication device identification to that of a second communication device in combination with the feature that the second user is not the cardholder. Thus, *Joao* fails to teach or suggest every feature recited in amended claim 1. Therefore *Joao*, either alone or in combination with *Suzuki*, fails to make amended claim 1 obvious.

Furthermore, the cited references fail to teach or suggest the feature “in response to the second user making a transaction with the card over the phone or on an internet website, transmitting a unique code entered by the cardholder to a central computer to authorize changing a second location to match the location of the second communication device, wherein the second location is a location of a vendor supplying goods or services over the phone or the internet website,” as recited in amended claim 1.

In rejecting claim 1, the Examiner cites to the following:

When the results of the credit administration request are that “the card use is allowed”, transaction terminal 300 continues with the transaction processes, such as the issuing of the bill, using the received transaction authorization number and the user validation process.”

Suzuki, col. 12, lines 43-48.

This section of *Suzuki* discloses authorizing use of a card and issuing a bill, upon receiving a transaction authorization number. However, neither this section nor any other section of *Suzuki* teaches or suggests “in response to the second user making a transaction with the card over the phone or on an internet website, transmitting a unique code entered by the cardholder to a central computer to authorize changing a second location to match the location of the second communication device, wherein the second location is a location of a vendor supplying goods or services over the phone or the internet website”. *Suzuki* fails to teach or suggest this feature and makes no mention of transmitting a unique code, from the card holder, to authorize changing a second location to match the location of a second communication device. *Suzuki* also fails to teach or suggest authorizing changing a second location to match the location of a second communication device when the location is a vendor supplying goods or services over the phone or the internet. Indeed, *Suzuki* fails to teach or suggest authorizing use of a card in conjunction with receiving the transaction authorization number and detecting the location of the card, in association with a cardholder making a purchase made over the phone or the internet. Moreover, *Suzuki* fails to teach or suggest authorizing a second user different than the cardholder to use the card to make a purchase over the phone or internet for goods or services, after the cardholder transmits a unique

code. Thus, *Joao* fails to make up for the deficiencies of *Suzuki* with respect to the features recited in amended claim 1. Under the *Graham v. John Deere Co.* inquiry state above, due to the large differences between the cited references and amended claim, one of ordinary skill would not be motivated to combine the cited references. Therefore, amended claim 1 is non-obvious in view of the cited art, because the proposed combination of the references, when considered as a whole, does not teach all of the features of the claims.

II.2. The Examiner fails to state a sufficient reason to modify the references in light of the large differences between the references and amended claim 1.

No *prima facie* obviousness rejection can be stated because the Examiner failed to state a sufficient reason to modify *Suzuki* and *Joao* in light of the large differences between *Suzuki* and *Joao* and amended claim 1.

The Examiner states:

It would have been obvious to one skilled in the art at the time of invention to allow transactions when a communication device and a transaction are not co-located, motivated by *Joao* et al., and that such capability would permit authorized transactions in all situations, enhancing the usefulness of the device.

Final Office Action, dated December 7, 2007, page 14.

Specifically, as shown above, *Suzuki* and *Joao* fail to teach or suggest the features 1) receiving a request to change the first communication device identification to the second communication device identification corresponding to the second communication device in combination with the feature that the second user is different from the cardholder and 2) in response to the second user making a transaction with the card over the phone or on an internet website, transmitting a unique code entered by the cardholder to a central computer to authorize changing a second location to match the location of the second communication device, wherein the second location is a location of a vendor supplying goods or services over the phone or the internet website, as recited in amended claim 1. Because *Suzuki* and *Joao* fail to teach or suggest at least these two features of amended claim 1, large differences exist between *Suzuki* and *Joao* and amended claim 1 under the *Graham v. John Deere Co.* inquiry set forth above. Thus, the Examiner failed to state a sufficient reason to combine and modify *Suzuki* and *Joao* in light of the large differences that exist between *Suzuki* and *Joao* and amended claim 1.

III. Remaining Claims

Independent claims 8 and 14 have features similar to those presented in amended claim 1. Therefore, claims 8 and 14 are distinguishable over *Suzuki* in view of *Joao* for at least the reasons set forth above.

Claims 2-6, 9-13, and 15-19 depend on independent claims 1, 8, and 14. Therefore, at least by virtue of their dependency on claims 1, 8, and 14, these claims are non-obvious over the cited references.

Therefore, the rejection of claims 1-6 and 8-19 under 35 U.S.C. § 103(a) has been overcome.

IV. Conclusion

The subject application is patentable over the cited references and is now in condition for allowance. The Examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the Examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

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Respectfully submitted,

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